



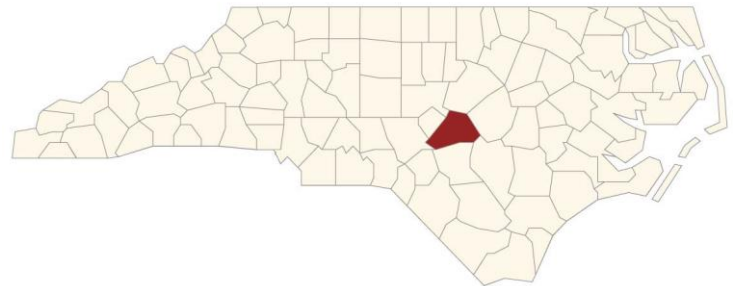
On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

American Recovery and Reinvestment Act Report, Harnett County

Harnett County received more than \$194 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the Harnett County total.



Pell Grant Awards:
1,363



Small Business Jobs:
68

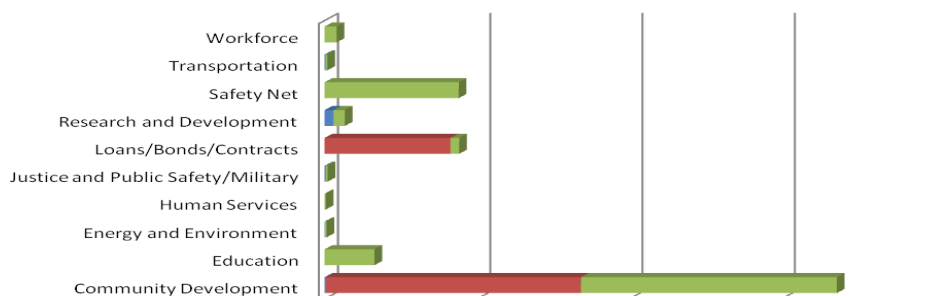


Appliances rebated:
230



Family homes financed:
122

Harnett County Totals



Sum of Prime Awards Sum of Sub-Awards Sum of Loans/Bonds

Harnett County,
pop 114,678 at a glance:

Recovery Act Totals:
Grants: \$69,774,152.63
Loans: \$102,241,825
Bonds: \$22,819,559

Total: \$194,835,563.63



The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

Harnett County schools received \$45 million in education funding, including \$4 million in Special Education funds, \$3.7 million in Title I funds, almost \$10 million in SFSF funds, \$2.3 million in Race to the Top funding and a \$22 million bond allocation.

Pell Grants are an educational Assistance Program that provides grants to eligible students to receive post-secondary or vocational training. Because Pell Grants are not student loans, they allow students to receive financial assistance to further education and training without incurring additional debt. The American Recovery and Reinvestment Act increased the eligibility and the maximum amount of Pell Grants in 2009 and 2010 as a way to encourage educational opportunities, and to provide a way for eligible applicants to gain new job skills.

In Harnett County, Campbell University and Heritage Bible College had 1,363 students funded by Pell Grants; these grants were worth more than \$2.25 million.



The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

In Harnett County, 122 families received assistance through this program totaling more than \$14.5 million.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the

program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

Harnett County retailers sold 230 appliances through the Energy Star Appliance rebate program.



Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

In Harnett County 10 small businesses received SBA loan guarantees worth \$3.5 million. According to the small businesses receiving these loans, the Recovery Act saved or created 63 jobs. Additionally, the USDA Business and Industry Program provided 2 loans to a small business, worth more than \$2.8 million dollars that saved or created 5 jobs.



Farm Assistance

The Supplemental Revenue Assistance Payments (SURE) Program is administered by the Farm Services Administration in the federal Department of Agriculture, which provides assistance to farmers suffering crop losses due to natural disasters. To qualify for the program a farm must have lost at least 10% of one crop during a natural disaster in a declared disaster county, or lost 50% of a crop during a disaster in a non-disaster county. North Carolina farmers received more than \$9 million in total payments under the ARRA-Funded SURE Program.

In Harnett County, \$87,802 was received in assistance to farmers because of crop loss to natural disasters.



CARS Program

The Car Allowance Rebate Program (CARS), more widely known as the 'Cash-for-Clunkers' program, provided an incentive for drivers of older, energy inefficient vehicles to upgrade to new cars. This program also provided a large economic impact in North Carolina, and North Carolina dealers received more than 18,000 trade-in vehicles through this program. North Carolina Car Dealers sold more than \$400,000,000 worth of new cars (recommended MSRP) through the CARS program. North Carolina drivers will save 172,130 miles per gallon through cars purchased through this program.

In Harnett County, car dealers sold 102 cars worth almost \$2.5 million through the ARRA CARS program.



Green Energy Programs

One of the goals of ARRA was to provide grants to help conserve energy and assist in the development of a green economy. The State Energy Office in the North Carolina Department of Commerce received large grants for energy conservation under the American Recovery and Reinvestment Act. These grants include the Energy Efficiency Conservation Block Grant (EECBG), funded at just under \$20 million, and the State Energy Plan (SEP), funded at \$70 million. The State Energy Office then used these grants to make awards to businesses, non-profits, and local governments for various purposes.

In Harnett County, Harnett County Schools received an EECBG grant worth \$32,968 to upgrade heating and air conditioning systems to demand control ventilation. Additionally, Black Farms, in Bunnlevel, received a Green Business Fund grant, funded through the SEO for \$64,158 to capture methane from an existing swine farm housing about 5,900 hogs in eight barns in Harnett County. Methane will be drawn from covered lagoons and used to generate power using an engine generator set. Total cost of the project is \$256,630.



Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

Harnett County residents received more than \$32.5 Million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received \$7 Million in SNAP benefit increases, and \$4 million in one-time payments of \$250 to social security recipients.

Harnett County Feature Story

Harnett County Builds New Health Center with Recovery Opportunities

The American Recovery and Reinvestment Act increased funding to the federal Department of Agriculture's Community Facilities program. The Community Programs provide loans, grants, and loan guarantees for a variety of community selected high-impact projects, such as water and environmental projects, as well as community facilities projects. Community facilities projects develop essential community facilities for public use in rural areas and may include hospitals, fire protection, safety, as well as many other community-based initiatives.



A rendering of the new LEED Silver Harnett Health System's Hospital in the Brightwater Science and Technology Campus in rural Harnett County, N.C.

Like many communities across North Carolina, Harnett County had a large backlog of high-impact facility needs to accommodate a growing population. Harnett County and Harnett Health Services seized the unique opportunity ARRA provided and put together a package to expand existing services across the county and fund a much needed new health facility.

Harnett County and Harnett Health Services were able to pool various ARRA-funded programs, including health center funding, the Community Facility grant and loan program, and Rural Development grants and loans worth more than \$66 million to open a new health center in Harnett County.

Construction on the building has already begun. The parking facility has been graded, and curb elements have already been added, with the asphalt due to be poured fall 2011. Water and electrical line testing has begun.

Footings and grade beams for the hospital are 100% complete. Structural steel erection continues to progress on schedule and decking operations have commenced. Underground sanitary and storm drains are due to be complete by the end of August, which will be followed by electrical rough-ins.

The Center will provide a 50-bed hospital for a growing rural community to greater access to healthcare. The expansion to Harnett County Health Services is projected to create an estimated 300 new jobs by the end of the project's third year.



Appendix, Harnett County breakout

Federal Agency	Program Title	Recipient name	Recipient role ⁱ	Prime Amount ⁱⁱ	Unique Sub Awards ⁱⁱⁱ	Loans	Additional Economic Activity (not counted toward totals) ^{iv}
	Bonds		P			\$22,819,559.00	
	Cash for Clunkers		S		\$431,000.00		
	Federal Pell Grant Program	Campbell University	P				
		Heritage Bible College	P				
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$14,678,351.00	
Administration for Children and Families	ARRA - Child Care and Development Block Grant	Harnett, County Of	S	\$0.00	\$394,005.55	\$0.00	
Department of Agriculture	Business and Industry Loans	Various	L			\$2,885,000.00	
	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$7,114,928.43		
Department of Education	Federal Work-Study Program	Campbell University, Incorporated	P	\$63,308.00		\$0.00	\$63,308.00
Department of Energy	Energy Efficiency and Conservation Block Grant Program (EECBG)	Harnett County Board Of Education	S	\$0.00	\$32,968.00	\$0.00	
Department of Health and Human Services	Aging Congregate Nutrition Services for States	Harnett County Division On Aging	SV	\$0.00	\$0.00	\$0.00	
	Aging Home-Delivered Nutrition Services for States	Harnett County Division On Aging	SV	\$0.00	\$0.00	\$0.00	
Department of Housing and Urban Development	Public Housing Capital Fund Formula (Recovery Act Funded)	Dunn, City Of	P	\$327,920.00		\$0.00	\$327,920.00
	Section 8 Housing Assistance Payments Program Special Allocations (Recovery Act	Ashbrook Apartments LLC	P	\$129,297.00		\$0.00	\$0.00

	Funded)					
Department of Justice	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	Dunn, City Of	P	\$64,675.00	\$0.00	\$64,675.00
		Harnett, County Of	P	\$146,458.00	\$0.00	\$0.00
				\$146,458.00	\$0.00	\$146,458.00
	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	Dunn, City Of	S	\$0.00	\$215,000.00	\$0.00
				\$0.00	\$215,000.00	\$0.00
Department of Labor	Unemployment Insurance	Multiple Individuals	S	\$32,834,230.13		
Federal Highway Administration	Highway Planning and Construction	Gelder And Associates, Inc.	PV	\$0.00	\$0.00	\$286,348.74
		North Carolina Department Of Transportation	P	\$321,689.00	\$0.00	\$321,689.00
Food and Nutrition Service	Child Nutrition Discretionary Grants Limited Availability	Harnett County Board Of Education	S	\$0.00	\$40,778.52	\$0.00
Health Resources and Services Administration	ARRA - Grants to Health Center Programs	Auto Tops And Upholstery Company	PV	\$0.00	\$0.00	\$10,040.00
		BBT Equipment	PV	\$0.00	\$0.00	\$85,283.09
		Big Blue Store	PV	\$0.00	\$0.00	\$159.54
		Byrd's Painting	PV	\$0.00	\$0.00	\$26,727.00
		CDW Government	PV	\$0.00	\$0.00	\$5,790.07
		Central Construction Group	PV	\$0.00	\$0.00	\$136,685.00
		Charlie Brewington	PV	\$0.00	\$0.00	\$1,258.70
		Christopher Warren Landscaping	PV	\$0.00	\$0.00	\$6,000.00
		Dell Marketing, LP	PV	\$0.00	\$0.00	\$1,727.04
		ER Harrison	PV	\$0.00	\$0.00	\$49,940.00
		First Choice Community Health Centers	P	\$215,043.00	\$0.00	\$215,043.00
				\$585,300.00	\$0.00	\$585,300.00
		Freddie	PV	\$0.00	\$0.00	\$1,264.00

		Robinson				
		G&B Garden Center	PV	\$0.00	\$0.00	\$7,651.72
		Haywood Thompson	PV	\$0.00	\$0.00	\$500.00
		Healthtech	PV	\$0.00	\$0.00	\$104,503.00
		Henry Schein, Inc.	PV	\$0.00	\$0.00	\$104,250.04
		Interstar Communications	PV	\$0.00	\$0.00	\$184,354.57
		JW Ezzell	PV	\$0.00	\$0.00	\$17,530.00
		L Bruce Kilby Designs	PV	\$0.00	\$0.00	\$3,537.25
		Lewis Rowe	PV	\$0.00	\$0.00	\$8,000.00
		Loren Keith Thornton	PV	\$0.00	\$0.00	\$2,122.80
		Lorman, Inc	PV	\$0.00	\$0.00	\$4,755.00
		Oliver's Plumbing	PV	\$0.00	\$0.00	\$1,980.00
		Peacock Floor Care	PV	\$0.00	\$0.00	\$26,604.00
		Quality Seamless Gutters	PV	\$0.00	\$0.00	\$1,640.00
		R & D Sales	PV	\$0.00	\$0.00	\$8,432.80
		Rical Construction	PV	\$0.00	\$0.00	\$27,300.00
		Rich's Signs	PV	\$0.00	\$0.00	\$958.00
		Sherwin Williams	PV	\$0.00	\$0.00	\$678.15
		Star Telephone	PV	\$0.00	\$0.00	\$713.34
		Strickland Construction	PV	\$0.00	\$0.00	\$720.00
		Terry Long Electrical	PV	\$0.00	\$0.00	\$4,192.00
		Tri County Community Health Council, Inc	P	\$706,286.00	\$0.00	\$706,286.00
				\$1,376,930.00	\$0.00	\$1,376,930.00
		Untangled Healthcare	PV	\$0.00	\$0.00	\$20,992.00
		Wise Mid-State, Inc.	PV	\$0.00	\$0.00	\$15,260.00
Idaho Operations Office	Energy Efficient Appliance Rebate Program (EEARP)		P		\$0.00	\$34,185.43
Office of Elementary and Secondary Education	Education Technology State Grants, Recovery Act	Harnett County Board Of Education	S	\$0.00	\$90,520.00	\$0.00
	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Harnett County Board Of Education	S	\$0.00	\$9,974,706.00	\$0.00
	State Fiscal	Harnett County	S	\$0.00	\$2,393,050.00	\$0.00

	Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Board Of Education					
	Title I Grants to Local Educational Agencies, Recovery Act	Harnett County Board Of Education	S	\$0.00	\$3,719,373.00	\$0.00	
Office of Special Education and Rehabilitative Services	Special Education - Preschool Grants, Recovery Act	Harnett County Board Of Education	S	\$0.00	\$154,445.00	\$0.00	
	Special Education Grants to States, Recovery Act	Harnett County Board Of Education	S	\$0.00	\$3,926,284.00	\$0.00	
Rural Housing Service	Community Facilities Loans and Grants		P	\$0.00		\$9,999,999.00	\$9,999,999.00
				\$0.00		\$5,000,002.00	\$5,000,002.00
		Fremont, Town Of	P	\$45,000.00		\$0.00	\$0.00
		Good Hope Hospital (Inc)	P	\$0.00		\$2,110,000.00	\$2,110,000.00
		Harnett Health System, Inc.	P	\$0.00		\$1,400,000.00	\$1,400,000.00
				\$0.00		\$9,999,999.00	\$9,999,999.00
				\$0.00		\$9,300,000.00	\$9,300,000.00
				\$0.00		\$9,000,000.00	\$9,000,000.00
				\$0.00		\$9,100,000.00	\$9,100,000.00
				\$0.00		\$9,200,000.00	\$9,200,000.00
				\$0.00		\$5,000,002.00	\$5,000,002.00
				\$0.00		\$9,999,999.00	\$9,999,999.00
		Harnett, County Of	P	\$0.00		\$2,310,000.00	\$2,310,000.00
		Lillington, Town Of	P	\$0.00		\$1,300,000.00	\$1,300,000.00
Small Business Administration	Loans	Bluewater Custom Woodworks LLC	L			\$30,000.00	
		Dawn M. Flood Db a Carolina Mob	L			\$1,836,000.00	
		Frox	L			\$200,000.00	
		Gary S Taylor	L			\$25,000.00	
		Morris Family Pharmacy, Inc.	L			\$375,000.00	
		Oasis Eye Care Optometry P.A.	L			\$1,019,000.00	
		Right Star Properties, LLC & L	L			\$251,000.00	
		S.J. Honeycutt Investment Prop	L			\$7,500.00	
		Scott Carroll	L			\$50,000.00	

		Residential, Inc					
		The Sterling Executive Recruit	L			\$50,000.00	
SSA	Social Security Economic Recovery Act Payments	Multiple Individuals	P		\$4,109,500.00		
Grand Total					\$4,128,364.00	\$65,645,788.63	\$125,061,411.00 \$88,719,693.28

ⁱ Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

ⁱⁱ Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to www.federalreporting.gov

ⁱⁱⁱ Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

^{iv} Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.